

mitted to Congress a budget with another \$140 billion in spending cuts.

Bult remember our objectives here. The Federal Government's job is to increase the ability of people to make the most of their own lives and to enhance security. So we're spending more on education and training and children and their future in our budget. We're also spending more on security, not only abroad but at home: more to fight the drug war, more to fight crime, more to do things that will make people more secure in their homes, in their schools, on their streets, in their workplaces. That's why this drug control strategy is important. And it's also important to note that it, too, is funded in the crime bill. A big part of the prevention section of the crime bill is an antidrug strategy, to take this country's commitment to fighting drugs to new heights.

I thank Lee Brown for his leadership, and I am going to do everything I can to implement the 1995 drug control strategy that has four steps: We propose to work more closely with foreign governments to cut drugs off at the source. We propose to boost community efforts to educate young people about the dangers and penalties of drug use, something that is very important. We see fresh and disturbing efforts—evidence that a lot of young people are no longer afraid that they will get sick, that they can die, that they can become addicted if they have casual drug use. We will work to break the cycle of crime and drugs by providing treatment to hardcore drug users who consume most of the drugs and cause much of the crime and health problems. And we will punish people who break the law more severely.

This strategy gives your communities more resources to fight drugs as well, and more flexibility, as I said, in the use of those resources.

I want to work with the new Congress to build on this crime bill, but we should not move backwards. We shouldn't undermine our ability to implement the drug control strategy. We shouldn't walk away from our commitment to provide 100,000 police officers. And we shouldn't let this become a partisan political issue. The crime bill passed with bipartisan support; it should be maintained with bipartisan support.

I have no idea what political party the law enforcement officers standing up on this platform belong to, and I don't care. It's enough for me that they're all willing to put on a uniform and put their lives on the line to make the people of this country safer and give the kids of this country a better chance.

We should listen to the experts in law enforcement and do what is right and keep this above politics. Above all, we must keep it above partisan politics. Let us listen to the evidence and do what is right for America. That should be our only test.

Thank you very much.

NOTE: The President spoke at 11:40 a.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to Gene Kelly, sheriff, Clark County, OH; Mary Ann Viverette, police chief, Gaithersburg, MD; Joseph Brann, Director, Community Oriented Policing Services program (COPS); and Associate Attorney General John Schmidt.

Remarks Announcing the Nomination of Michael Cerns To Be Director of Central Intelligence and an Exchange With Reporters *February 8, 1995*

The President. Ladies and gentlemen, I'm delighted to see you all here. I thank the Members of Congress especially for being here, Senator Thurmond, Senator Specter, Senator Leahy, Congressman Dicks. Is Congressman Gilman here?

It is my pleasure and honor today to announce my intention to nominate General Mi-

chael Cerns to be the next Director of Central Intelligence.

General Cerns will face a challenge whose difficulty is matched only by its importance. The cold war is over, but many new dangers have taken its place: regional security threats; the proliferation of weapons of mass destruction; terrorists who, as we have seen, can strike at the

very heart of our own major cities; drug trafficking; and international crime. The decisive advantage United States intelligence provides this country is, therefore, as important as it has ever been.

As President, I've had the opportunity to appreciate just how important that intelligence is to our national security. Most Americans never know the victories our intelligence provides or the crises it helps us to avoid, but they do learn about its occasional setbacks. And as we prepare our intelligence community to face new challenges, we must not forget its many successes.

General Carns' broad experience and exceptional qualities make him the right leader for our intelligence community in this time of challenge and change. He's distinguished himself as a fighter pilot, a military commander, and a manager. He's a proven innovator, open to new ways of doing business and skeptical of conventional wisdom. He understands the critical importance of intelligence because he's had to rely on it when the lives of Americans and the security of our country were on the line. He's taking this critical assignment after having already dedicated a whole lifetime of outstanding service to our country. I thank him and his wife for that decision.

After graduating from the Air Force Academy in 1959, he went on to fly over 200 combat missions in Vietnam, where his heroism earned him the Silver Star and the Distinguished Flying Cross. He served as director of operations for the Rapid Deployment Task Force, deputy commander-in-chief of the United States Pacific Command, vice chief of staff of the Air Force, the office he held before entering a very short-lived retirement last September. And somewhere along the line, he even found time to get an MBA from Harvard, something for which I have already forgiven him. *[Laughter]*

General Carns also served as director of the Joint Staff during Operations Desert Shield and Desert Storm. Both Admiral William Crowe and General Colin Powell, who relied on General Carns to get the job done when our Nation was at war, know and appreciate the full measure of this fine man.

His exceptional accomplishments are rooted in a tradition of patriotism and service instilled in him by his father, Major General Edwin Carns of the Army, and by his mother, Jan, whom I had the privilege of speaking with yes-

terday. Mike and his wife, Victoria, have carried on this tradition and passed it along to their own children, Michelle, a cadet at the United States Air Force Academy, and Mark, who serves in the Air Force. Let me say to their entire family, the country is proud of your service. And I am, I say again, especially grateful to you, Victoria, for supporting this move today.

General, your mission will be greatly helped by the distinguished commission, led by our former Secretary of Defense Les Aspin and former Senator Warren Rudman, that I have asked to review the missions and structure of our intelligence community. Together, and with the help of the Congress, you can build a strong consensus for reinvigorating U.S. intelligence so that it pursues clear priorities and puts its resources behind the core missions that will continue to give our Nation the most timely, relevant, and honest intelligence in the world.

As we look to the future, I also want to thank the outgoing Director of Central Intelligence, Jim Woolsey, for his service. Thank you, Jim, and we're delighted to see you here today. No one has been a more forceful advocate for the intelligence community, in my own case, beginning long before I became President. His efforts to streamline collection systems and improve the quality of analysis will pay off for our country for many years to come.

I'd also like to express my deep appreciation to our Acting Director, Bill Studeman, who has served our Nation admirably for 32 years now. Both of you have earned our Nation's gratitude.

Finally, to the men and women of our intelligence community whose work often goes unheralded, let me say on behalf of all of us and all Americans, your country owes you a debt which can never be fully repaid, but we respect it and we appreciate it. What we can do, and what General Mike Carns and I will vow to do, is to work with you, to support you, and to challenge you as we build an intelligence community for the next century.

General Carns.

[At this point, General Carns thanked the President and made brief remarks.]

The President. This is the first test of his centralized intelligence. *[Laughter]*

Any questions?

Central Intelligence Agency

Q. Are you going to find any spies around?

General Carns. I think I recognize that voice.
[Laughter]

Q. Do you think that the CIA needs an overhaul? I mean, they've made a lot of mistakes recently, haven't they?

General Carns. I would be happy to respond to your questions as soon as I am confirmed. In the meantime, I will keep my counsel.

The President. Let me just say one thing. I think recently they deserve a lot of credit for uncovering mistakes that were made in the past. After all, the Ames problem developed before the recent history—it was uncovered in recent history. They deserve credit for solving problems. The same thing with that big building out there.

Q. It took a long time.

The President. Well, we've only been here 2 years. I'm pretty proud of what Mr. Woolsey did and what the CIA has done. I think they deserve credit for solving problems.

Baseball Strike

Q. Mr. President, on another topic, there's been a lot of talk on Capitol Hill today, and a lot of opposition from Republicans to your suggestion that Congress get involved in the baseball strike. Can you tell us about that?

The President. I'll send the legislation up there. I think that this is—they should be reluctant; I was reluctant; we're all reluctant. If we had a baseball commissioner, we wouldn't—none of us would have been in here. I respect their reluctance. What I think will happen is, I'll send the legislation up, they'll hear from the American people, and they'll make their own decision. Meanwhile, I hope that the—last night I really began to hope that they'd work it out on their own. That's still what ought to happen, that's the best thing, and I hope they'll do it.

Q. Do you have any regrets about getting involved in the first place?

The President. No, because if I hadn't named a Federal mediator, without a baseball commissioner, then I would have felt that we hadn't gone the last mile to try to help resolve it. So I'm glad I named Mr. Usery. He did the very best he could. And I still hope they'll work it out.

Thank you.

Surgeon General Nominee Foster

Q. What are you hearing from the Hill about Dr. Foster? What are you hearing about from the Hill—

The President. I don't know. I haven't heard much from them, but I had lunch with a number of House Members today who said that, based on what they knew, they were for him, and so am I. I think he's a good man. You read the editorial from his hometown newspaper, the Nashville Tennessean, that came out in the last couple of days; his colleague, the only physician in the United States Congress, the doctor from Tennessee, Republican doctor from Tennessee, who stood up here with him when we announced him. He is a good man who has delivered thousands of babies and devoted his life to trying to prevent the kind of problems that he's now being criticized for. I believe he should be confirmed, and I believe he will.

Thank you.

Q. Do you think this is just a tactic to get people to defeat him because he has favored abortion rights?

The President. I think he's a good man, and when he has his hearings the American people will think so, too.

NOTE: The President spoke at 2:20 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Dr. Bill Frist, Senator from Tennessee. The Office of the Press Secretary also released a biography of the nominee.

Message to the Congress Reporting on the National Emergency With Respect to Iraq

February 8, 1995

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 2, 1994, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution No. 778 requires U.N. Member States temporarily to transfer to a U.N. escrow account up to \$200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activi-

ties of the U.N. Compensation Commission in Geneva, which will handle claims from victims of the Iraqi invasion of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders Nos. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1994, through February 1, 1995.

1. There has been one action affecting the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the "Regulations"), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on August 2, 1994. On February 1, 1995 (60 Fed. Reg. 6376), FAC amended the Regulations by adding to the list of Specially Designated Nationals (SDNs) of Iraq set forth in Appendices A ("entities and individuals") and B ("merchant vessels"), the names of 24 cabinet ministers and 6 other senior officials of the Iraqi government, as well as 4 Iraqi state-owned banks, not previously identified as SDNs. Also added to the Appendices were the names of 15 entities, 11 individuals, and 1 vessel that were newly identified as Iraqi SDNs in the comprehensive list of SDNs for all sanctions programs administered by FAC that was published in the *Federal Register* (59 Fed. Reg. 59460) on November 17, 1994. In the same document, FAC also provided additional addresses and aliases for 6 previously identified Iraqi SDNs. This *Federal Register* publication brings the total number of listed Iraqi SDNs to 66 entities, 82 individuals, and 161 vessels.

Pursuant to section 575.306 of the Regulations, FAC has determined that these entities and individuals designated as SDNs are owned